

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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China - Peoples Republic of

Post: Beijing ATO

Building the Chinese Market for U.S. Seafood

Report Categories:

Agricultural Trade Office Activities

CSSF Activity Report

Export Accomplishments - Events

Export Accomplishments - Other

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Report Highlights:

ATO has worked with Chang International to build the market for high-quality U.S. seafood in China. As a result, sales to China comprise a growing portion of the company's overall market.

A Change In Direction

China has been a major buyer of U.S. seafood for at least a decade. However, the bulk of this trade has, in the past, consisted of importing U.S. seafood for processing, then re-exporting it as value added product such as fish fillets, for sale back in North America or Europe. With the help of USDA's Agricultural Trade Offices in China, this is beginning to change as Chinese consumers become more interested in U.S. seafood. The story of Chang International provides an example.

During a trade mission In 2009, ATO/Beijing made contact with Chang International, a Qingdao-based company processing U.S. seafood for re-export to North America and Europe. Chang maintains sourcing offices in the U.S., buying mainly from smaller fisheries and native American communities in the Pacific Northwest and Alaska. ATO encouraged Chang to explore the potential for his processed product within China. In discussions with ATO's Chinese retail buyers, owner Jerry Chang saw the largely untapped potential in China's own domestic market, where fish is a homonym for prosperity, and seafood (especially wild caught) is a must for any well-set table.

Following up on this connection, ATO incorporated Chang International into a promotional event the CSSF-funded U.S. Food Festival at HiSense Plaza stores in Qingdao and Tianjin. As well as introducing his product to Chinese consumers at a top-end venue in two of China's fastest-growing cities, the event connected Jerry with the Alaska Seafood Marketing Institute and other cooperators and State and Regional Trade Groups (SRTG) to develop additional promotional activities. ATO has since provided connections for Chang International to BHG High-End Markets, Parkson's Plaza and other premier retailers, and Chang has participated in and sponsored a number of ATO-run promotions such as the 2012 CSSF-funded chef training in Qingdao. Hotel/Restaurant industry focused activities such as the latter have allowed Chang International to build a strong business in seafood gift boxes (these are typically sold through hotels as Chinese New Year gifts).

ATO also connected Chang International to the other China-based ATOs, who have built Chang's products into their own market development efforts in other parts of China, helping them become a nationwide brand. By 2013, Chang International, once exclusively a processor for re-export, sold an estimated 15% percent of their product, at an estimated value of \$10 million, domestically. By 2014, Chang estimates domestic sales will comprise 23% of their total.